IDEOLOGY LED STRATEGY FOR DEVELOPMENT: A STUDY OF SEZS AND STATUS OF LABOUR IN INDIA

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Problem

The evolution of human lifehas led to the progression in society.This progression has sown the seed of creatinggap amongst the human in society. It has been a constant phenomenon, which does not originate in vacuum. From the last centuries, the gap has been aggravated and has turned into huge inequality and has been highly lopsided.In order to understand this problem there have been cross sections of formulation- liberal, radical, conservative,linear and non-linear. As we look back into the history when humans were in the primitive stage, where Marx says the society was classless, with equal distribution, and no division of labour. This picture was of primitive communism. But as we proceeded towards the betterment in the material sense or quantitatively, we somehow degraded in our quality of life or living. It all started with surplus appropriation or capital accumulation and additionally improper distribution of the surplus. The phrase 'society as a whole' has lost its relevance.

I comprehended that the reasons behind this are corresponding social productive organization and actors etc. In the core of this, rules for life framed through social productive organization which consolidated later into an ideological constructs. Ideology affects the philosophy, economics, sociological and political constructs in a society. Ideology has always been the foundation for policies and development strategy.As ideology being the reason, the concept defining the economies has been divided into three tiers: Developed, Developing and Underdeveloped Nations. In the process to progress the gap had been worsened due to development practices, development strategy, changing perspectives etc.

India being a developing nation is also facing the problem of inequality and its rising day by day. This inequality led to the problems like poverty, unemployment, destitution, pauperization and multi-facets deterioration of human life. Considering the problem in the center stage, the state proposed development policies popularizing it as pro-poor. Viewing India in the past years has shown the malice picture which stands far away of the objectives stated by the development policies. This raises a question as why India failed even after adopting 'catch-up' policy proposed by the developed nations stating it to be 'the best' for developing nations, as India being part of it. Post II world war, the 'catch-up' policy laid emphasis on growth through Industrialization. To speed up the process of Industrialization, India focused on basic and heavy industries and adopted import substituting industrialization (ISI) strategy for development. To facilitate this strategy India established Export processing zones (EPZs), which later converted into Special Economic Zones (SEZs) in 2005 due to multireasons inter alia, attract FDI and to generate employment opportunities.Thus, connecting these dots it presents that ideology

constructs put forth the 'catch-up' policy for India's development path. Consequently, the different pro-poor claims of this development process through industrialization via export oriented strategies should be examined, specially emphasizing on the strategy of SEZs and their objective is base of my research work.

Conceptual Framework

IDEOLOGY is a comprehensive form of broad patterns of cognitive and moral beliefs about man, society and the universe in relation to man and society, which prosper in human society. An ideology is the product of man's need for imposing intellectual order on the world (Shils, 1968: 66-68). The word "ideology" was first used in the eighteenth century, to mean "the study of ideas". These ideas had some source, which changed due to internal or external strain; vested interests of the social groups or bitterness amongst the groups. Ideologies mean system of doctrine that includes a fairly large amount of Ideology which is internally complex; which give rise to different forms: Conservative Ideology, Reform ideology, Revolutionary Ideology and Counter-Ideology (Johnson, 1968: 76-78). Ideology refers broadly to paradigm of political, legal, ethical, aesthetical, religious and philosophical views and ideas (Frolov, 1984: 187). The evolution of society and mankind shows how the concept of Ideology has passed from meaning "science of ideas" and "analysis of the origin of ideas" to meaning a specific "system of ideas" in different time and space (Gramsci, 1971: 705). Thus, Ideology is a body of ideas characteristics of a particular social group or class; ideas which help to legitimate a dominant political power; action oriented set of beliefs; identity thinking; the process whereby social life is converted to a natural reality (Eagleton, 1991: 16-17). There were a few eminent thinkers like Karl Marx, Gramsci and Althusser who had analyzed ideology with philosophy, economics and have sociological elements in a unique manner. Their economic contribution are interwoven with the aforesaid elements, thus it cannot be traced out separately (Landreth& Colander, 1994: 195). Karl Marx and Engels formulated the concept of ideology in course of their investigation. Ideology evolved according to the changes occurred in the society, taking a position through 'German Ideology' (….) "It is not consciousness that determines life, but life that determines consciousness" (Gemkow, Hoffman & Heinz, 1968). Antonio Gramsci, a western Marxist Philosopher analyzed ideology through the concept of "hegemony", in which he argued that to expand ideology from a set or formal ideas which have been assimilated from ruling class ideas, i.e. they appear completely natural or commonsensical. The French critic Louis Althusser built his idea on this concept to articulate two types of "apparatuses" for maintaining dominance: firstly "repressive state apparatuses" by the army, police, etc. which have explicit agendas to exert control and secondly "ideological state apparatuses" by the media, education, family which often function semi-independently and without explicit intent to exert control (Brooker, 2003: 133-34).

Ideology has been misunderstood with Outlooks, Creeds and other type of comprehensive patterns, which are different from Ideology. Outlooks lack explicit promulgation and contain within themselves a variety of creeds. Creeds often shade off into ideologies but they lack explicitness, comprehensiveness to be equivalent to the core of ideologies. Unless a Creed is taken in hand by a School of Thought, it does not undergo systematic explanation and its scope is not broadened to be accepted universally. So, if a founder however great or influential neither form School of Thought or an ideological primary group, their ideas will be carried by the winds (Shils, 1968: 70-72). With this notion, by investigating the literature of various economic thought represents that in different time and space varied School of thoughts had prevailed backed by an ideology which is dominant in nature to maintain the social productive organization affecting development paradigm. It creates institutions and agencies to regulate power and inject values in furtherance of interests guarded with specific ideological framework. In order to understand the association between ideology and economic thought in a society, historical investigation is a prerequisite.

We have traced the route from the middle ages to till date which is articulated below in continuum.

- In the **Pre Classical**, the Greeks, Arab-Islamic thinkers vouched on philosophical issues. They concentrated mostly on the ethical questions, justice and equity. And religious standards were constructed to judge economic conduct (Landreth& Colander, 1994: 40-41). For example in the 14th century, Roman Catholic Church was the supreme power and developed a sophisticated system of governan0ce, law and economy based on the principles of religion. In the Pre Classical the economic literature of the Church was written by the religious churchmen.
- Under the **Classical period** the idea of mercantilism flourished which believed that the economic prosperity is based on the favorable balance of trade. Gold and bullions are the wealth of nation which led to the expansion of geographical boundaries and exploring sea routes for inter country trade. However, contrary to mercantilists', the Physiocrats propounded an idea of Natural Law, generating surplus through agricultural sector and were precursor of the idea of Laissez faire (over the intervention by the government as in mercantilism), this influenced Adam Smith and the subsequent developers of economic policy. To attain economic growth, Classical believed that there should be a larger proportion of capital accumulation to total output. The great Classical thinkers of the 18th and 19th century idealized in the remedy for progress through free market institutional framework and wrote about forces determining the progress of nations as the countries of Europe embarked on the process of Industrialization. Like the British Empire emerged as the super power and took up the strategy for progress of colonies for its own benefit.
- The **MarxianSchool** of Thought believed that labour process creates exchange and use value together and generates surplus. Surplus extracted through labour generally appropriated by the owners of the means of production. In the Capitalist society with a

cover of nation state/ welfare state institutionalized apparatus and appropriate surplus. The aforesaid idea was based on the theory of surplus value and ownership of means of production.

- Under the **Neoclassical school**, Marginal analysis was its key determinant and addressing macroeconomic question and time element was an addition to the classicals. Classical did not become Neoclassical overnight. Marshall and Walras who were considered as the pioneers of the neoclassical school.
- The **Keynesian School** propounded state intervention, role of public expenditure and pump priming to come out of the Great Depression, 1929. The post Keynesian linear presumption of saving and investment was emphasized for development as main drive.

In the 20th century the World experienced two major wars which fueled up the dominance of hegemonic ideology for development. Different School of Thoughts except Physiocrats favored the idea of Industrialization as the sole path for growth. The basic component of the post-world war II was the revival of growth in concern with economic progress of the nonindustrial economies (Ranis, 1968). Post-World War II involved developed as well as developing countries which hampered their economies especially developing and led to the destruction and misallocation of resources. As Rapley, 2002 analyzed that after World War II the newly independent countries/ states had three main options for industrialization and growth. They were: autarky, accessing foreign capital to build industrial sector and using the state as an institution/ authority to accumulate and exercise control over necessary resources. Out of the three, the developing countries opted for a blend of last two, what became to be known as strategy of Import Substitution Industrialization (ISI) (cited in Engel, 2010). Both Latin America and Asian countries used ISI at first. However, during 1950s and 1960s the Asian countries like Taiwan and South Korea started focusing on outward-oriented policies like export-led growth but Latin American continued with ISI. Thus, Industrialization expanded its scope and due to the success of export-led growth, it was considered to be the 'best strategy' to promote development (Devi, 2014).

In the Post War period when most of the developing countries gained Independence they followed the 'catch-up' policy with the First World Order. The strategies adopted were of automatic Trickle Down of the benefit of growth to the poor since the benefits will trickle down to the bottom of economic ladder automatically, the basic concern was to enlarge the size of the Gross domestic production (GDP) of the economy. Import substitution to stimulate domestic industries and community development model of USA was adopted with an assumption that everyone will get the benefit of the growth to improve his/ her standard of living. Later it was realized that Trickle down Hypothesis did not work and hence a set of alternative strategies such as Target approach, Basic need approach etc. programmes could achieve minimal success.Now Market led and export led growth was interwoven with right based approach for participatory development.'Contradictory expectations have been forwarded in the name of policies' (Diwakar, 2004).

In today's scenario, every developing country is trying to 'Catch-up' with the developed nations like UK, USA for their development. But the developing nations were incognizant of the 'real' historical development trajectory that these nations have undergone. Chang in his book "Kicking away the Ladder"; have examined the process to become super power. These 'super powers' adopted the 'catch-up' policies at their times but additionally they protected their infant industries, they poached on skilled labours and smuggled machines from the then developed countries. These additional unfair means are inconceivable in today's 'good policies' propagated by the International agencies i.e.; World Bank, IMF. Later, once these developing nations joined the league of the developed world they started to propagate *laissez-faire* trade policies (Chang, 2003: 13-16). USA in today's world follows Liberal trade regime but, historically it was known as the 'mother country and the bastion of modern protectionism' expressed by Bairoch (1995: 51), with this paradox in policy adoption raises a question on following 'Catch-up' policy as the path for development.

From the above literature analysis, we see how the hegemonic ideology and Schools of Thought facilitate each other in the process of development. Post-World War II, 'catch-up' was the dominant ideology to cater growth for development which was followed by the decolonized nations. India post-Independence also followed the same path for its development. The path of the analysis goes further with a question that did India get success by following the 'catch-up' policy and till what extent?

Based on the conceptual analysis of ideology and its relation with School of Thought, we are going to investigate the development policy of India which will lead us to examine India's development path in context of Industrialization.

Development Policy and India

In order to understand India's development policy based on the global ideology we divide the study broadly into two phases:

- India during British Regime
- India- Post Independence

India during British Regime

The ideology of imperialism was translated through the strategy of colonialism for resource extraction from the colonies they ruled. It started with the penetration of the European capital through Portuguese establishment of their factories at Calicut in 1500, the British East India Company was founded in 1600, the Dutch East India company in 1602 and the French

Compagnie des Indes in 1664. British direct rule over India dates from the middle of the eighteenth century after the Battle of Plassey in 1757. And from then British ruled over India for two centuries. The traditional Indian economy was completely shattered by the British rule (Dutt, 1940: 11-20). Marx in his article on 'British Rule in India' in 1853 (Dutt, 1940: 91-102) shows how the imperialist led to the destruction of Indian economy by their institutional arrangements. Marx observed the 'Double role' of the Britishers, one which was destructive and other was 'regenerating- the annihilation of the old Asiatic Society.' Britishers on one hand destroyed the traditional communities by uprooting the native industries and on the other hand they regenerated through political unity, free press, native army, communication and private property. But if one looks into it deeply, the institutional arrangements were done only in the favor of the British imperialists. Like the construction of roads, railways and irrigation, though Nehru in 'Discovery of India' asserts that "coming of the railway to India brought the industrial age". During this period the global ideology was 'remedy for progress through laissez faire', Europe embarked on the process of Industrialization (Pieterse, 2010: 5). This shows that the political actors were influenced by the global ideology.

The strategy adopted by British Empire was 'Beggar Thy Neighbor' which destroyed the Indian cotton industry through the trade policy of Britain (Chang, 2003: 22). The Britishers did promise for self-government to the Indian people, which were accompanied by 'Constitutional concessions which left the real relations of power unchanged' (Dutt, 1940: 36). "Thetransfer of power witnessed the strong comprador character of the Indian ruling class which embarked on an extended strategy to strengthen the neo-colonial process in the country (Pradhan, 1996)." A cartel of capitalist culminated in UN, created a new rule and regime of development strategy.

India- Post Independence

Factors that influence the trajectory of national development: Historical time; Dominant Ideology; Lag behind the leaders and Influence of traditions (Gaidar, 2012). The attempt of economic planning for development was first initiated in India in 1938 and the major actors were Subhash Chandra Bose and Jawaharlal Nehru, which led the set-up of 'The National Planning Committee.' "The original idea behind the Planning Committee had been to further Industrialization – 'the problems of poverty and unemployment, of national defense and of economic regeneration in general cannot be solved without industrialization (Nehru, 1982)". There were two competing visions of Gandhi and Nehru for the future of India. Pradhan H. Prasad stated that Gandhi's ideal society was non-violent society free from exploitation. He elaborated his idea for ideal society to Nehru which was similar to Karl Marx, but was not scientific (cited in Sinha, 1991: 15). On the contrary, "Nehru had a vision of democratic socialism with state leading the process of Industrialization (Das, 2012: 24)".

In case of India, after it got Independence in 1947, it adopted the Central Economic Planning of USSR with amalgamation of Community Development of US. During this period majorly three plans contested i.e.; The Bombay Plan, The Gandhian Plan and The Peoples Plan in which the Bombay Plan (headed by Eight Industrialist of Bombay), prevailed for Industrialization of India. India's planned development policythrough Industrialization for development which gave emphasis on public sector, heavy industries and import substituting industrialization strategy. We will examine this in our further analysis through available literature into two subdivisions of plan period i.e.1950s to 1990s and 1990s to till date.

❖ 1950s to 1990s

In modern development thinking, the core meaning of development was economic growth (Pieterse, 2010: 5). In order to establish the ideology of 'Investment led growth', Harrod-Domar propounded their model in 1946 as a mechanism for economic development. Later Rostow's Linear Non-Marxist Stages of Growth Model in 1960 showed that economic growth occurs in five basic stages i.e.; Traditional society, Preconditions for take-off, Take off, Drive to maturity and Age of high mass consumption. To strengthen the idea of growth through industrialization, Import-substitution was emphasized by the dependency theorists. Little presented in their study that ISI increased economic inequality and recommended instead states to follow Export-Oriented Industrialization (EOI) (Little et.al, 1970). During 1960s and 1970s many developing countries adopted the shift in the idea from import-substitution to export-oriented growth strategies for rapid Industrialization. This shift was because of the industries under protection were not growing efficiently, as the domestic industries get accustomed to protection from foreign competition. And due to the small market the domestic industries fail to enjoy the economies of scale (Pahariya, 2008) and sluggish growth (Chandrashekhar&Ghosh, 2006). The strategy was pioneered by Germany and Japan in 1950s and 1960s. In the year 1960s and 1970s this strategy was adopted by the Asian Tigers- South Korea, Taiwan, Hong Kong and Singapore. Thus the "Asian model" of export-led growth was born. The "tiger economies" imitated Japan and flourished (Palley, 2011).

In 1960s,the most successful zones were located in Asia, especially in South Korea, Taiwan and Malaysia; these Zones promote national or regional development, technological transfer, backward and forward linkages, employment etc.(Amirahmadi and Wu, 1995). These Export Processing Zones are special enclave, outside a nation's customs barriers. They enjoy preferential treatment; manufacturing activities are freely operated without state interference (Warr, 1989; Amirahmadi and Wu, 1995; Jayanthakumaran, 2002). Normally EPZs are considered to be vehicles for outward-oriented economic growth, based on the theory that active participation in the International trade is an engine to growth. It is also considered as the 'second best' policy for the country who wants to reap profits from efficient integration into the International division of labour without trade liberalization and deregulation of the whole

economy. Most developing countries had the same goals in adopting a processing zone strategy for their industrialization. But there has been success as well as failure (Yuan and Eden, 1992).

Based on the dominant development strategy world over, India in between 1951- 1961 adopted the Harrod-Domar Model and Mahalanobis Model as a strategy for rapid industrialization of heavy and basic industries, closely resembled Feldman's model developed in the USSR in 1920s (Ray, 2015). The economic policy regime in 1950s had its roots in the freedom struggle itself (Chandrashekhar&Ghosh, 2006). The government announced its first Industrial Policy Resolution, IPR 1948 as a process of Industrial growth. As a development strategy, India adopted the import-substitution-based industrialization with particular emphasis on basic and heavy industries (Aggarwal, 2012: 63).

EPZs in India

Aggarwal stressed that during 1960s, India faced severe foreign exchange crunch due to multiple crisis such as failure of agriculture, increasing imports and two border war with China (1962) and Pakistan (1965). To promote exports, many fiscal incentives such as cash compensatory support (1967), duty drawbacks (1972), and the import entitlement license scheme (1962) were offered to exporters. As a part of these programmes, the government set up an Export processing Zones (EPZs) in Kandla in 1965 and became the first Asian country to adopt this model during the ISI regime**.** In 1988, the Ministry of Commerce clarified the objectives behind the establishment of EPZs in India. To increase foreign exchange earnings, develop export-oriented industries, stimulate domestic and foreign investment and generate employment opportunities (Mansingh, Eluri and Sreejesh, 2012). The first EPZs was set up in Kandla (Gujrat) in 1965. It was followed by the Santa Cruz EPZs (Mumbai) which came in operation in 1973. Later on in 1980s Government set up 5 more EPZs at Noida (Uttar Pradesh), Falta (West Bengal), Cochin (Kerela), Chennai (Tamil Nadu) and Vishakhapatnam (Andhra Pradesh), Surat EPZs became operational in 1998. The EPZs in India was established to attract foreign investment by giving special incentives, promote exports from industrial and manufacturing sector within a country. These initiatives cannot be extended beyond the geographical area namely a 'zone'. Most exports were directed to Soviet Union and Eastern Europe, the focused areas were engineering goods and drugs, electronics and textile being lower in proportion (Gopalkrishnan, 2007).

❖ 1990s till date

After 1990s there was extensive modification in the process of opening up of the economy with much higher speed than the past.It may be noted that the Industrial policy since 1991, has been drastically modified and changed from 'inward-looking import substitution to outward-looking export policy' to a large extent (Bhat, 2014).The government made major changes in its policy

on trade, foreign investment, tariffs and taxes under the name of 'New Economic Reforms.' The main focus of this reform was Liberalization, openness and export promotion activity (Kumari&Malhotra, 2014). In the Industrial sector the 'delicencing' and 'dereserving' policy were adopted for the private players to participate in the high-priority industries. The Monopolies and Restrictive Trade Practices (MRTP) Act was diluted in favor of the capitalist giants. One more point to 'bear in mind' that these strategies were not inevitable rather they were done by the political choice, and also predefined as which group of the society will bear the burden (Chandrashekhar&Ghosh, 2006).

Now India moved from planned framework to Market-oriented strategy, based on the global ideology of corporate capitalism. Another ideology was prevailing simultaneously with the 'openness' of the economy. The ideology of 'Catching-up' the advanced economies by adopting 'export to import.' Now here, as the developing nations under the forced imposition of Structural Adjustment Programs (SAP) by the international agencies had to open the economy. The ideology was made to believe the developing nation that economic growth depends on rapid export growth. For which the strategy shifted from import-substitution to export-promotion. Now the counter idea was promoted to import vast amount of capital goods, technology and intermediate products if they are to achieve technological efficiency and dynamism. So to say in short, 'Countries must export to import. And they must import to grow' (Bajpai& Sachs, 1998).

EPZs to SEZs in India

During the time when EPZs was flourishing in the Asian countries, India was far behind in the strategy of EPZs, the reason given was poor implementation of strategies, multiplicity of controls and clearances, the absence of the world-class infrastructure, unstable fiscal regime (Mansingh, Eluri, Sreejesh, 2012). Most authors address that the success of EPZs depends on the integrated national Industrialization strategy (Amirahmadi and Wu, 1995) which India needed. India used EPZs as a trade strategy instead to be used as a tool.The EPZs lacked in forward-backward linkages and technology transfers, because lack of high quality of input reduces backward linkages. The forward linkage was not possible because the products had to be exported (Jayanthakumaran, 2002). Many policy makers have misunderstood the concept of EPZs; it is the intersection of three sectorial policies: free trade, industrial policy and growth center strategy. Out of the three only free trade or export promotion has been emphasized on and the rest two are left out (Mansingh, Eluri and Sreejesh, 2012). Despite being the first Asian country to have a EPZs it could not avail the emerging opportunities in the market (Aggarwal, 2012: 64-65).

China's export strategy was the Special Economic Zones (SEZs), which were successful due to the favorable conditions provided to them by the political structure and governance. China's five main SEZs (Shenzen, Zhuhai, Santou, Xiamen and Hainan) exported $ 26 billion in 1994; India's EPZs (Kandla, Santacruz, Noida, Madras, Cochin and Falta) managed a tiny fraction,

both in absolute and as a proportion of Indian exports (Bajpai& Sachs, 1998). On this success of China's SEZs, India converted its EPZs to SEZs. India's SEZs was not the same as the SEZs of China which is a topic of debate in the current scenario. India's SEZs are pro-market in its structure where as it claims to appear pro-people.

In 2000, the export-import (EXIM) policy of India shifted towards a new scheme of Special Economic Zones (SEZs) due to dismal export performance. The role of the SEZs was to raise employment rate, to attract foreign investor to invest in India, tax privileges were offered, bureaucratic system was redesigned to reduce the complexities. According to David Harvey, the neoliberal policy has led to "accumulation by dispossession" through four elements of privatization, financialization, management and maneuvering of crisis and state redistribution. These four elements are the key determinant for setting up and functioning of SEZs (Dey, 2012). On November 1, 2000, the SEZ was originated in India. The Parliament of India passed the SEZ Act in 2005 and SEZ Rule in 2006 to provide a legal support for its operation. Under the SEZ Act, the administrative set-up is three-tier. At the apex is the Board of Approval (BOA) has 19 member of inter-ministerial body, responsible for policy matters; its rejects, approves or modify SEZs. In the Second tier is the Unit Approval Committee constituted under the Development Commissioner, comprises of representatives of the state government and department of revenue which acts as single-window clearance for SEZs units. In the third tier is the Development Commissioner (DC), who is the executive director of SEZs (Aggarwal, 2012). The promotion of exports, attracting investments and labour standards, these are looked up by the office of the DC (Mansingh, Eluri&Sreejesh, 2012).

To analyze SEZs from the available literature, can be divided broadly into three parts: Land, Labour and Capital.

The total area of land under SEZs is expected to be 200,000 hectares and this land is capable of producing about 1 million tons of food grains (Sahu, 2013). Vanadana Shiva asserts SEZs as the biggest land grabs in the history of Independent India. No matter what ideology India gives for development be it civilization or industrialization the strategy is sole and i.e. Land acquisition from the poor (Bhaduri, 2007). There has been unrest in the country for the establishment of SEZs like Singur, Nandigram. Displacement of people from the land has been a major issue by the establishment of SEZs (Kumar, 2007). Displaced people from their land do not get fair amount of compensation, it's a threat to their livelihood (Aggrawal, 2006). The land is sold to the big industrialists on the name of development, they build shopping malls, golf courses, IT centers, airports (Navlakha, Giri, Ray &Basu, 2008) ; we can see the misuse of land by the rich industrialists, creating real estate scams (Aggrawal, 2006; Kanitkar&Kulkarni, 2006). Acquisition of arable land may lead to food scarcity (Bandyopadhyay, 2008). There has been a change in the policy that 50% of land will be used for processing area and compared to 35% earlier in the SEZs, (Kumar, 2007) this is a piecemeal tinkering.

SEZs claims to increase export production, FDI and employment opportunities. But in context of labour and employment, the labour laws are circumvented in SEZs. With the establishment of SEZs in the neoliberal regime has an undesirable effect on the Indian working class. Though SEZs may have fulfilled its objectives of export promotion, foreign earning by FDI but it is far behind to fulfill the objective of employment. As lucrative incentives and concessions are given to form SEZs so, many industries are shifting themselves into SEZs. This shift does not create employment.In the Neoliberal regime, following the guidelines of IMF and World Bank, India has made its labour policy less restrictive and pro-corporate. The labour reforms aim to dismantle the institutional tools that exist for workers to organize and resist exploitation (Gopalkrishnan, 2007). The higher wage rates associated with development can discourage the entry of the Multinational Companies (Yuan and Eden, 1992). To be cost competitive in the world market India has adopted the policy of downsizing the labor by the advent of technology. Under the SEZs Act, 2005 the government has given the power to the companies under SEZs to withdraw the application of any law including labour law. The SEZs rules, 2006 contain two clauses, out of one states that, the state government declares SEZs to be "public utility services" the labour cannot strike without prior notice. And second clause is that the development commissioner will look after the law and order in the area. No judicial interventions can be done in the area (Aggrawal, 2012).The question thus arises that whether labours are deprived from their basic rights? The working condition of labour in the SEZs needs a further examination. Existing studies on SEZs reveals that the Minimum Wages Act is implemented in the zones but it's only on documents (Mansing, Eluri and Sreejan, 2012). In India Employment opportunities are less than job seekers, more and more people are pushed to the unorganized sector. People who are living for physical survival join the army of unorganized sector, marked by many vulnerabilities such as long working hours, unhealthy working conditions, lack of labour protection, no social security schemes (Bhaduri, 2009: 68-69).

The resources acquired for SEZs and other Industrial schemes have facilitated the expansion of corporate capital. Today the enclosed nature of SEZs has created special space for Capital. The major tax concessions will also lead to the loss of revenue (Kumar, 2007; Mansingh, Eluri and Sreejesh, 2012). Companies relocate to enjoy the tax concession being offered and little net activity will be generated. The policy would cost revenue loss of Rs. 9, 39,000 million over the next four years. If the annual average is drawn it comes out to be Rs. 23,475 million which is about 6.7% of the central government total revenue receipts during 2005-06 (Aggrawal, 2006). The report of Ministry of Finance, calculated the revenue loss from tax holidays over the period 2004-09 was Rs. 1, 75,487 crores. The revenue forgone is four times the annual allocation of National Rural Employment Guarantee Scheme (NREGS) (Panayiotis, 2009).

The aforesaid analysis shows the impact of SEZs on land in the context of real estate scams; displacement of people from their means of livelihood on the name of development. Usually the land is accumulated from the poor people. The enclosure model of SEZs has created colony within the host economy. SEZs on labour show a very miserable picture. It seems labour has

turned into a commodity. In the surrounded area of SEZs no institution can intervene on the subject of labour. A matter of examination arises in context that has SEZs succeeded on the core objective of employment, as we know that the highest numbers of SEZs are in the IT-sectors who employ technically trained people. And the landless that are displaced are left unemployed. This further raises the question of employment of whom and at what cost?We can also see there is huge amount of revenue loss with the establishment of SEZs. The incentives given to SEZs lure the industrialists to push their industries into the Zones. Fiscal incentives drive in FDI, which seems beneficial to the institution but in a way it destroys the host economy. A point to be added is that SEZs also creates regional disparity because it is established in the places where manufacturing and exports are strong to get the maximum benefits.

In the above analysis as we see that when India underwent the neoliberal policy in which the emphasis was on industrialization led growth, specially change through ISI to EOI. Under ISI, India adopted the strategy of EPZ to boost its exports. Later after EXIM policy of 2000, it converted its EPZs to SEZs for better performance in the field of employment, FDI, exports, technology transfers, etc. The variety of studies and research has been examined. Widely it covers success and failure of SEZs, its performance, employment, cost-benefit analysis, new challenges and prospects. As keeping the political economy framework for my research, an important subject matter is factor of production and production relation to study. This indicates that keeping labour or capital (accumulated labour) the major ones into centrality of study is needed. I have selected labour keeping in mind that it is ultimately the subject and object of any development policy. From the earlier works on SEZs, labour has been taken as a central part for examination but only in the context of exploitation and working conditions. One of the major areas in context of labour relation in the modern day analysis is needed.In order to understand the work and organization of SEZs in context of labour, we need to look into the Labour Process debates.

Labour process theory (LPT)

The roots of Labour Process Theory (LPT) are in the analysis laid by Karl Marx. Before going into the analysis of LPT we need to understand as to what is labour?

“Labour is, in the first place, a process in which both man and Nature participate, and in which man of his own accord starts, regulates, and control the material re-actions between himself and Nature. He opposes himself to Nature as one of her own forces, setting in motion arms and legs, head and hands, the natural forces of his body, in order to appropriate Nature’s productions in a form adapted to his own wants (Marx, 1971: 156)”. Thus, labour process from Marx’s political economy refers to the activity in which natural object or raw material is transformed into a useful product which satisfies human need. The labour process is a transformation process, in which,

the labour power of the worker enters in the production process in which labour creates utility in concrete commodity or service which contains a use and exchange value (Smith, 2015).

Hence the elementary factors of the labour-process are:

1. The personal activity of man, i.e., work itself,
2. the subject of that work, and
3. its instruments. (Marx, 1971).

The labour process is a condition of human existence, common to all forms: animate and inanimate. Also to see how different human participants relate to each other in the process requires consideration of the social relations within which that process occurs. In the capitalist Labour process- the work is thereby performed under the supervision and control of the capitalist, and product produced are the property of the capitalists. Thus, the labour process is simply a hierarchical managerial and economic process between things the capitalist has purchased- hence the product produced in the process belongs to the capitalists (Mohun, 1991: 298).

After Marx's writings on the subject there was little succeeding analysis of the capitalist production process by Marxist for about 100 years (Mohun, 1991:300). Much of the early works in LPT was written within a broad Marxist framework. Braverman (1974) played a crucial role in resurrecting the neglected aspect of Marx's analysis. Braverman in his book: Labour and Monopoly Capitalism (LMC) in (1974) argued that the core tendency of the Capitalist management was to deskill workers based on Taylorism: "the simplification and standardization of production process by managers and engineers to ensure that workers produce sufficient output" (Eds. Hauptmeier and Vidal, 2014: 10-11). The second theme of Taylorism was control, which was the central concept of all management systems. Braverman argued that during the twentieth century, capitalist embraced scientific management, and the associated 'scientific-technical revolution' which separate out mental from manual labour. This was the dominant approach to management of work under capitalism. Conceptual control over production shifted to capitalists, undermining workers resistance based on work skill and knowledge. This shows that's labour has been impoverished before the aims of capitalist production could be met (Spencer, 2000; Tinker 2002). Braverman'smain concern was to show 'the necessary tendencies leading to the degradation of work under capitalism'. 'His revolutionary goal was to reconstitute production as a process under the control of labour (Smith, 2015; Spencer, 2000)'. Later in the second wave of the Labour Process Theory (LPT) were- Friedman (1977), Richard Edwards (1979), Burawoy (1979) and Littler (1982). Altogether the writers broadly dealt LPT on a Marxist framework but differed in many ways from Braverman's analysis.

Braverman's neglect of the 'subjectivity' resulted in split over the future direction of research. This gave rise to two fields: Post-structural and Materialist (Core) theorists. During 1990s and 2000s, a substantial body of LPT research emerged around a 'core' concept of LPT initially

outlined by Thompson (1990). Research has yielded detailed case studies in various new forms like new forms of labour process, new forms of control and variety of work places and government sectors (Jaros, 2005). The post-structuralist or "Foucauldian turn" introduced a theoretical rift. It had rekindled the labour process debate on new lines. It resulted in further dissolution rather than a new synthesis (Kitay, nd).

LPT has addressed the issues related to work place dynamics and employment relations by various management control strategies and resistance among workers making negotiations, these are some of the ways how variations are shown in outcomes at the workplace level. With a broad coverage over the arena of problems, Labour Process analysis raises certain questions, firstly, it has not advanced a systematic understanding of how institutions structure and affect workplace dynamics and employment relations. And secondly, it fails to develop a systematic appreciation of national contexts and as a result, cross national comparisons remain underrepresented in the literature.

Taking these unanswered questions of Labour Process analysis, we will be examining that whether the institutional structure of SEZs is benevolent for the labour or not. As "institutionally guaranteed rights such as workers presentation in the supervisory boards can make an important difference for working standards and labour process, while they remain a socialist dream in many other countries (Hauptmeier and Vidal, 2014: 18)".

Objectives

To analyze the centrality of the problem of this research we are proposing following objectives:

1. To analyze the trajectory of Development Strategy through Industrialization of India.
2. To understand the development strategy of the export- oriented industries of Indian economy.
3. To examine the labour process in neoliberal regime, in context of SEZs.

Hypotheses

The proposed hypotheses for the study to be researched are as follows:

1. Articulation of development strategy through acts and rules has improved the condition of labour in context of employment, wages and securities.
2. Institutional structure of SEZs is benevolent for labour.

Research Questions

The research will seek answer for the following research questions, enumerated below:

1. How hegemony of mainstream development ideology has led to the development policy in India?
2. Is 'catch-up' policy successful in India, with respect to development via industrialization?
3. What are the pull-factor / push-factor for introducing SEZs in India?
4. How has the structure of SEZs facilitated/affected the labour conditions?
5. How the change in the development strategy has affected/ facilitated the labour acts in India?

Methodology

In order to accomplish the objectives of the research work, the study will be carried in a Political Economy framework which will be exploratory/ analytical as well as explanatory in nature. The study will be based on secondary and primary sources of data.Secondary data will be gathered to study labour condition focusing on employment, wages and securities.The key respondent will be labour. Through mapping, primary work will be conducted in a multi-product SEZs which has massively acquired land. However, the authorities and institution of SEZs will also be engaged for requisite information.The selection of the sample will be done by sampling using multiple-probability technique. We will gather data from higher authorities. Informal discussion will also be used to enrich the information. For data collection from the field will employ structured/open-endedschedule, Focused Group Discussion method and questionnaires for Development commissioner. Further data processing and cleaning will be done. Data analysis will be done according to the nature and coverage of data. The statistical analysis will incorporate the descriptive and inferential statistics both. Suitable modification in the methodology for data collection and analysis will be adhered as and when required in the process of research.

Tentative Chapterisation

1. Introduction
2. Ideology led development strategy: India
3. Trajectory of India's export- oriented Industrialization
4. EPZs to SEZs and Labour process
5. Field study
6. In lieu of conclusion

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